

23 - Technical Institute Handout

Thursday, February 04, 2016
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WORKFORCE INNOVATION THROUGH TECHNICAL EDUCATION

SDTECHS Work 2021

Overarching Goal: Provide quality postsecondary education and training to enable South Dakota's workforce and economy to grow.

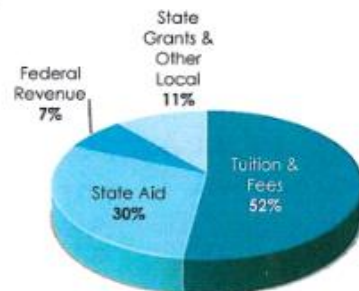
Product: Grow a technically skilled workforce prepared to meet the challenges of industry and continuing education.

People: Lead a system with the appropriate quality and quantity of instructors, staff and administrators.

Plant: Ensure facilities are adequate, safe and capable of meeting evolving industry demands and are conducive to learning.

FY17 Proposed Budget - State Support to Technical Institutes

	Proposed Total FY17 Budget	Proposed FY17 Increase/ Decrease
Prop. Total FY17 State Appropriation	\$24,908,796	
Prop. FY17 State Bond Payment	\$2,322,850	-\$386,107
Prop. Tuition Buy-Down Assistance	\$1,831,820	\$915,900
Prop. National Guard Tuition	\$161,088	\$161,088
Prop. FY17 Formula Distribution Amt.	\$20,593,038	\$1,026,956



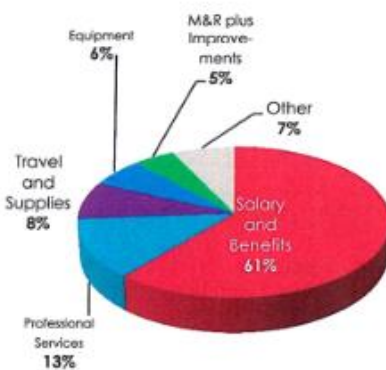
All TIs Budgeted FY17 Revenues

FY16 Amendment

Available for Formula Distribution	\$19,566,082
Calculation of Need for Formula Distribution	\$19,586,314
(Under) or Over Need for Formula Distribution	(\$20,232)

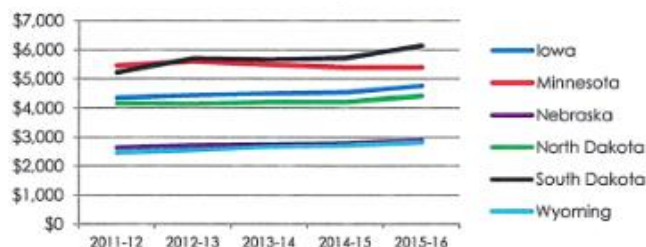
Proposed One-Time Funding

Payoff Series 2007 Bonds	\$5,262,972
Payoff Series 2014A Bonds	\$1,543,698
TOTAL	\$6,806,670



FY17 Budgeted Expenses for All TIs

Regional Competitiveness Public 2-Year Colleges, Tuition & Fees



SD Technical Institute Per Student Allocation Calculation & Payment

Formula

Total State Appropriation
 - Bond Payment (debt service coverage)
 - Other / one-time appropriations
 = **Available funds for formula distribution**

Full-time Equivalent (FTE) Calculation:

- 1 FTE = 30 credit hours per year
- Tuition, per credit = set by SD Board of Education
- Per Student Allocation = set by SD Legislature

Formula Factors:

- 1 = Standard cost program
- 3 = High cost program
- 5 = High cost, low-density program

FTE Calculation = Prior FY Tuition Collected / (30 credits * \$104 tuition per credit)

Calculation of need for formula distribution = FTE * per student allocation

Baseline state aid received by each technical institute = (Calculated need * .25) / 4

With remaining 75%, each technical institute receives funds based on formula factors and FTE for each program.

Weighted Per Student Value = (Calculated Need – Baseline state aid) / [(5 * High cost, low-density program FTE) + (3 * High cost program FTE) + (1 * Standard cost program FTE)]

Program category payment received by each technical institute =

[(high cost, low density (5) * FTE in eligible programs) + (high cost (3) * FTE in eligible programs) + (standard cost (1) * FTE in eligible programs)] * Weighted Per Student Value

Baseline state aid received by each technical institute
 + Program category payment received by each TI
 = **Total state aid received by technical institute**

Total state aid is divided into four equal, quarterly payments. Payments are based on FTE from the prior fiscal year.

FY16 Example

\$24,190,959 (FY16 State Appropriation)
 - \$2,708,957 (FY16 bond payment)
 - \$915,920 (tuition buy down)
 - \$1,000,000 (SB55 – Build Dakota capacity grants)
 = **\$19,566,082** (total available for formula distribution)

Full-time Equivalent (FTE) Calculation:

- 1 FTE = 30 credit hours
- \$104 per credit (FY15 tuition assessed to students)
- \$3,395.71 (FY16 Per Student Allocation)
- \$17,996,029.32 = FY15 Tuition Collected by Technical Institutes

FY16 FTE:

\$17,996,029.32 / (30 credits * \$104 tuition per credit) = **5,767.96 FTE**

Calculation of Need for Distribution in FY16:

5,767.96 FTE * \$3,395.71 PSA = **\$19,586,314** (rounded)

Baseline state aid received by each school (25%):

\$19,586,314 * .25 = \$4,891,520.50 / 4 = **\$1,222,880.13** per technical institute

Program category payment (75%):

\$19,586,314 - \$4,891,520.50 = **\$14,674,561.50**

Weighted Per Student Value = \$14,674,561.50 / [(5 * 7.6) + (3 * 1,760.36) + (1 * 4,000)] = **\$1,574.68**

Program Category Payments in FY16:

LATI = \$4,550,858
 MTI = \$2,965,468
 STI = \$5,276,710
 WDT = \$1,881,525

Total FY15 State Aid per school:

LATI = \$1,222,880 + \$4,550,858 = **\$5,773,738**
 MTI = \$1,222,880 + \$2,965,468 = **\$4,188,348**
 STI = \$1,222,880 + \$5,276,711 = **\$6,499,591**
 WDT = \$1,222,880 + \$1,881,525 = **\$3,104,405**

SD Administrative Rule
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